



ELIXIR ENERGY (ASX:EXR)

# 2019 Operations Update

21 October 2019

## Weekly Update – 21 October 2019

This week Elixir will pick up a second rig in the Gobi Desert to accelerate our drilling plans in Nomgon IX

### BO-CH-1 (Chip-hole)

- Drilling ahead in conglomerates above the Permian coal sequence
- First well slightly slower than planned as adjusting made to the conditions (Elixir is paying by the metre)

### BO-CH-2 (Chip-hole)

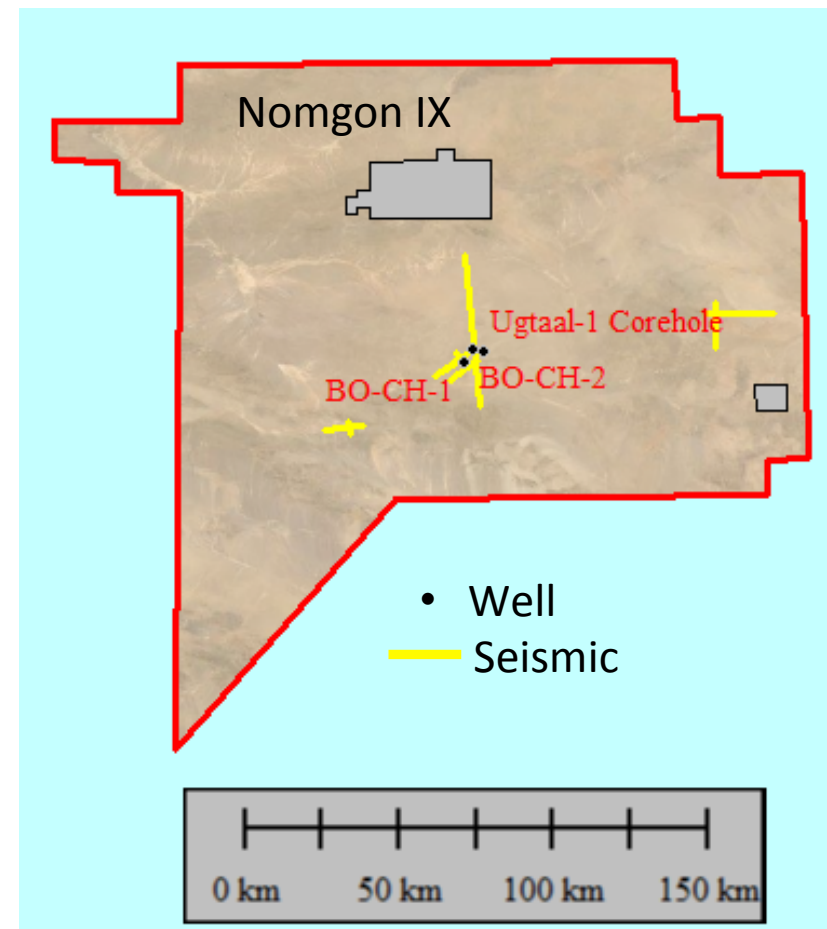
- Will spud on Monday 21/10/19

### Ugtaal-1 (Core-hole)

- Due to spud this week after BO-CH-1 is completed

### 2D Seismic

- Processing complete and interpretation to be initiated this week. Preliminary results in 30 days.



# 2019 Drilling Program

## 2-3 core holes and up to 4 chip holes

### Chip-holes

- Quick and cost effective way of evaluating subsurface
- Stratigraphic drill hole to collect chips/cuttings samples
- Confirm general geology and coal continuity where data is sparse
- Provide well tie to newly acquired seismic



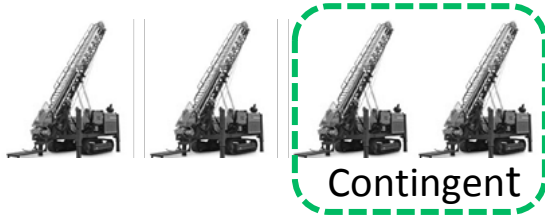

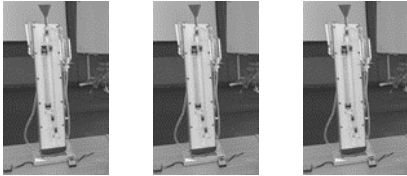
### Core-holes

- Provide data to aid in the future design of the project
- Well HQ cored over Permian primary target
- Collect full hole core samples from well
- Analyse for coal presence, gas content, desorption and permeability
- Aid in volumetric calculation and potential Resource Certification



# Timetable

Results to deliver resource certification in early 2020

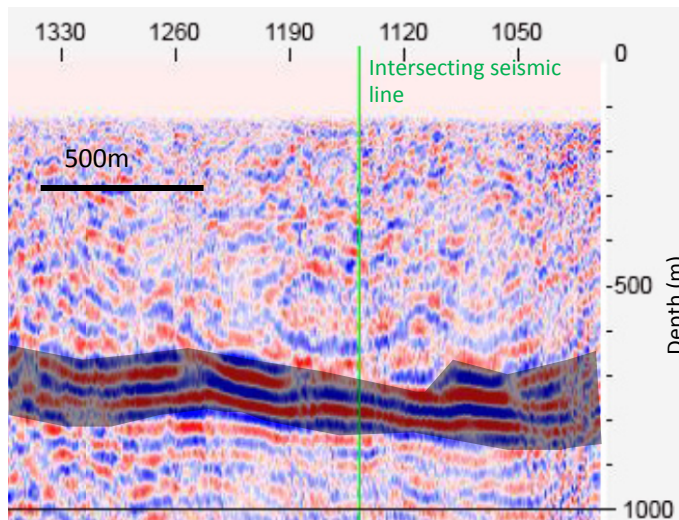
	October	November	December
Chip-holes (2-3) (~7 days)			
Core-holes (2-3) (~19days)			
Coal and Gas desorption Analysis			

# 2019 2D Seismic Results Pending

Preliminary interpretation in 1 month, full integration with geological model in Q1 2020

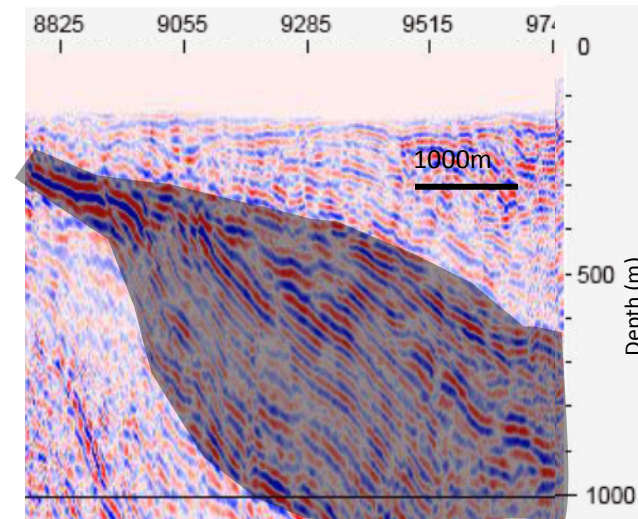
## Delineation

- Indicating coal presence in the subsurface and providing locations for drilling



## Exploration

- Identifying new, previously unrecognised potential coal basins based on EXR's in-house geological modelling



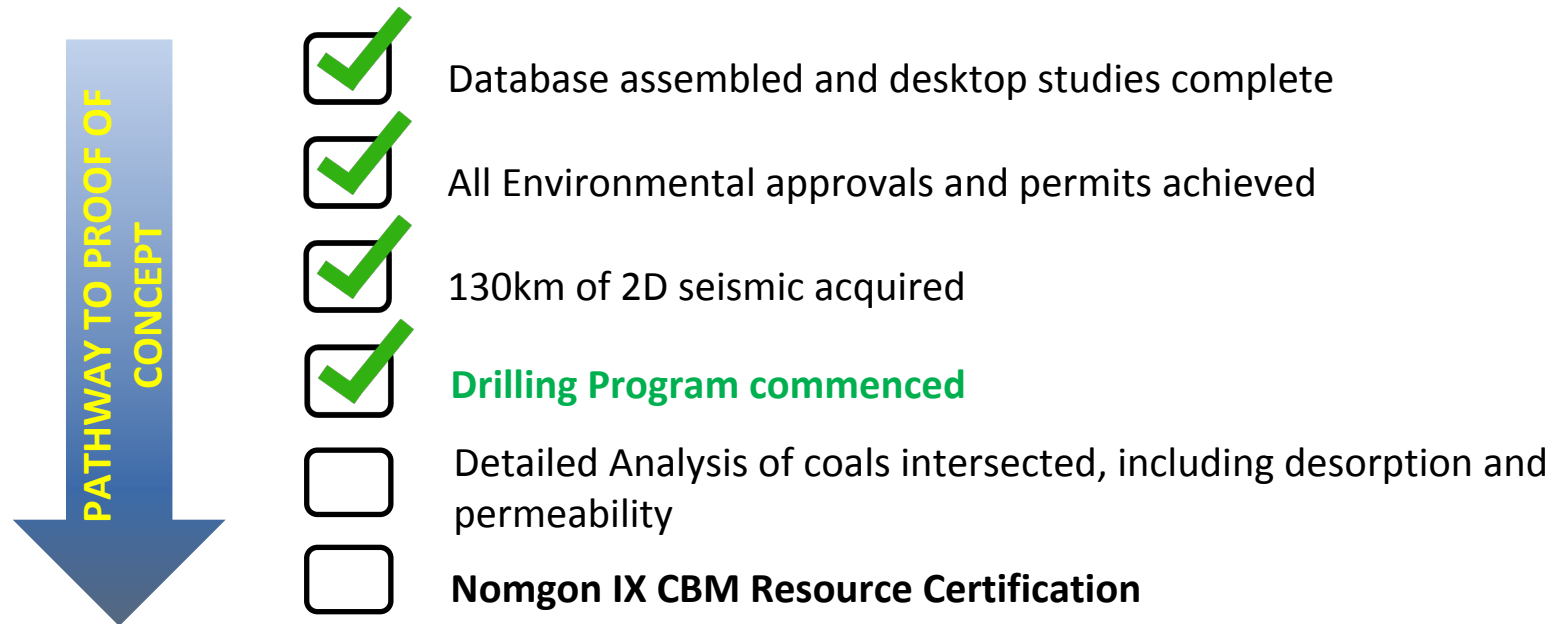
 Strata with Permian Coal Potential

# 2019 Exploration Strategy

Proof of concept substantially de-risks the Nomgon IX PSC area

## Deliver “Proof of Concept”

- Coal with gas that has the potential to flow at commercial rates
- Drilling and Analysis the only outstanding items





# On the Road to Contingent Resource Booking



	ACTIVITY	OUTCOME	RESOURCE CATEGORISATION UPON SUCCESS
COMPLETED	Geological Modelling	40 TCF unrisked) Recoverable (Best Case) <sup>1</sup> COS: 19% <sup>1</sup>	Prospective Resource (Lead) <sup>1</sup>
	Additional Data from Mineral Exploration Programs	More evidence of coal - COS could increase	Upgrades Prospective Resource <sup>2</sup>
	2D Seismic Acquisition	Map coal over a larger area	Upgrades Prospective Resource <sup>2</sup>
REMAINDER OF 2019	Core Drilling and Core Recovery	Total Gross Coal thickness	Success case delivers a DISCOVERED PETROLEUM ACCUMULATION which could be a Contingent Resource <sup>2</sup> – this will be independently verified in Q1 2020
	Laboratory Core Desorption	Gas Content and Gas Composition & Adsorption Isotherm (gas saturation)	
	Core Proximate Analysis	Dry Ash & Moisture Content	
	Wireline Logging	Total net coal thickness and distribution	
	Injectivity Testing	Flowability and permeability measurements	

<sup>1</sup> Independently Verified by ERCE - refer ASX announcement of 19.11.18

<sup>2</sup> Internal estimate

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